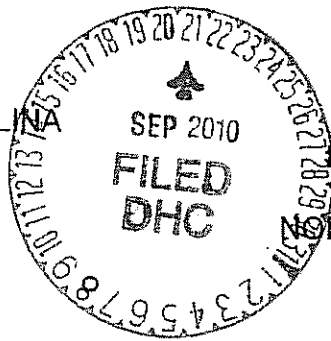


STATE OF NORTH CAROLINA
WAKE COUNTY



BEFORE THE
DISCIPLINARY HEARING
COMMISSION
NORTH CAROLINA STATE BAR
10 DHC 27

THE NORTH CAROLINA STATE BAR,

Plaintiff,

vs.

HOLLY C. STEVENS, PAULINE E.
MAKIA, CARMEN J. BATTLE, JAMIE
FAYE NEWSOM, Attorney

Defendants.

ANSWER

NOW COMES the defendant, JAMIE FAYE NEWSOM, answering the Complaint of the plaintiff, alleges and says:

1. The allegations contained in paragraph 1 of plaintiff's Complaint are admitted.
2. Newsom admits that Stevens was licensed to practice law in the State of North Carolina at some point in time. She is without sufficient information with which to form a belief to admit or deny the remaining allegations in paragraph 2. As such, said allegations are denied.
3. Newsom admits that Makia was licensed to practice law in the State of North Carolina at some point in time. She is without sufficient information with which to form a belief to admit or deny the remaining allegations in paragraph 3. As such, said allegations are denied.
4. Newsom admits that Battle was licensed to practice law in the State of North Carolina at some point in time. She is without sufficient information with which to form a belief to admit or deny the remaining allegations in paragraph 4. As such, said allegations are denied.
5. The allegations contained in paragraph 5 of plaintiff's Complaint are admitted.

Upon information and belief:

6. The allegations contained in paragraph 6 of plaintiff's Complaint are admitted.
7. The defendant is without sufficient information with which to admit or deny the allegations contained in paragraph 7. As such, said allegations are denied.
8. The defendant is without sufficient information with which to admit or deny the allegations contained in paragraph 8, including subparagraphs (a) through (d). As such, said allegations are denied.
9. The allegations contained in paragraph 9 of plaintiff's Complaint are admitted.
10. The defendant is without sufficient information with which to admit or deny the allegations contained in paragraph 10. As such, said allegations are denied.
11. The defendant is without sufficient information with which to admit or deny the allegations contained in paragraph 11 including subparagraphs (a) through (f). As such, said allegations are denied.
12. The defendant is without sufficient information with which to admit or deny the allegations contained in paragraph 12. As such, said allegations are denied.
13. The defendant is without sufficient information with which to admit or deny the allegations contained in paragraph 13. As such, said allegations are denied.
14. The defendant is without sufficient information with which to admit or deny the allegations contained in paragraph 14. As such, said allegations are denied.
15. The defendant is without sufficient information with which to admit or deny the allegations contained in paragraph 15. As such, said allegations are denied.
16. The defendant is without sufficient information with which to admit or deny the allegations contained in paragraph 16. As such, said allegations are denied.
17. The defendant is without sufficient information with which to admit or deny the allegations contained in paragraph 17, including subparagraphs (a) through (d). As such, said allegations are denied.

18. The defendant is without sufficient information with which to admit or deny the allegations contained in paragraph 18. As such, said allegations are denied.
19. The defendant is without sufficient information with which to admit or deny the allegations contained in paragraph 19. As such, said allegations are denied.
20. The defendant is without sufficient information with which to admit or deny the allegations contained in paragraph 20. As such, said allegations are denied.
21. The defendant is without sufficient information with which to admit or deny the allegations contained in paragraph 21. As such, said allegations are denied.
22. The defendant is without sufficient information with which to admit or deny the allegations contained in paragraph 22. As such, said allegations are denied.
23. The defendant is without sufficient information with which to admit or deny the allegations contained in paragraph 23. As such, said allegations are denied.
24. The defendant is without sufficient information with which to admit or deny the allegations contained in paragraph 24. As such, said allegations are denied.
25. The defendant is without sufficient information with which to admit or deny the allegations contained in paragraph 25. As such, said allegations are denied.
26. The defendant is without sufficient information with which to admit or deny the allegations contained in paragraph 26. As such, said allegations are denied.
27. It is admitted that Newsom purchased Steven's law practice in April of 2006. However, the defendant is without sufficient information with which to admit or deny the allegations contained in paragraph 27. As such, said allegations are denied.
28. The defendant is without sufficient information with which to admit or deny the allegations contained in paragraph 28. As such, said allegations are denied.

29. The defendant is without sufficient information with which to admit or deny the allegations contained in paragraph 29. As such, said allegations are denied.
30. The defendant is without sufficient information with which to admit or deny the allegations contained in paragraph 30. As such, said allegations are denied.
31. The defendant is without sufficient information with which to admit or deny the allegations contained in paragraph 31. As such, said allegations are denied.
32. The defendant is without sufficient information with which to admit or deny the allegations contained in paragraph 32. As such, said allegations are denied.
33. It is admitted that Newsom purchased Steven's law practice in April of 2006 and thereafter began performing real estate closings.
34. Defendant admits that she closed several real estate transactions involving Jenkins, including the transactions listed in Exhibit D. Defendant denies that at the time she closed the transactions listed herein that she had knowledge that the procedures that were followed in closing the transactions were improper or fraudulent or that there was any intention on her part to allow or participate in any improper conduct. Newsom further admits that there may be other transactions involving Jenkins which she closed other than those enumerated in Exhibit D.
35. The allegations contained in paragraph 35 of plaintiff's Complaint are admitted.
36. It is admitted that Newsom attended and conducted the closings listed in Exhibit D and due to her lack of training and experience in real property law or real estate closings, she failed to compare the Hud-1 settlement statements with the actual disbursements of the funds to ensure proper disbursement of closing proceeds. Defendant denies that she knew the procedures used by her office at the time of the closings alleged herein were not proper and she further denies that she intentionally allowed any fraudulent conduct to be perpetrated by Mr. Jenkins. In addition, Newsom denies that she knowingly or intentionally violated the terms terms of any lenders closing instructions, any State or Federal laws or Rules of Professional Conduct related to the real estate transactions at issue in this matter.

37. It is admitted that due to Newsom's lack of training and experience in real property law or real estate closings, that she attended and conducted closings involving the conduct alleged in paragraph 37. Defendant denies that at the times relevant to the allegations in the complaint that she knew that the procedures used by her office were not proper. She further denies that she intentionally allowed any fraudulent conduct to be perpetrated by Mr. Jenkins or that she knowingly or intentionally violated the terms of any lender closing instructions, any State or Federal laws or Rules of Professional Conduct related to the real estate transactions at issue in this matter.
38. Defendant admits the allegation contained in paragraph 38. However, based upon her lack of training and experience in real property law or real estate closings, that any failure to provide accurate information to lenders or in contravention of the lender's closing instructions was done knowingly and intentionally. Defendant further denies that any conduct as alleged in paragraph 38 which was in contravention of any specific instructions of lenders, State or Federal laws, or the Rules of Professional Conduct was done knowingly or intentionally, but was in fact the result of her inexperience in real property law or real estate closings.

THEREFORE, having answered paragraphs 1 through 38 of plaintiff's Complaint, the defendant denies knowingly and intentionally violating any Rules of Professional Conduct, as alleged in paragraphs (a) through (f) of said Complaint. Defendant further denies that at any time as alleged in the Complaint, that she knowingly and intentionally performed any acts of dishonesty, fraud, deceit or misrepresentation.

FIRST AFFIRMATIVE DEFENSE

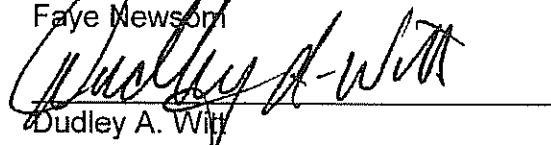
Defendant Newsom believed that the employees that she retained as the staff, who had formerly been trained by defendant Stevens and others, were well qualified and experienced employees knowledgeable of all issues related to supporting an attorney licensed to practice law in the State of North Carolina with the handling of real estate related issues. In fact, defendant Newsom was a victim of an elaborate multi-party real estate fraud scheme perpetrated by others including defendant Stevens. Upon discovering the problems alleged in the Complaint, defendant cooperated with various title insurance companies and her malpractice carrier to rectify any issues raised as a result of her failure to properly handle real estate closings under her supervision. Defendant has further from her own funds or through malpractice insurance, settled any outstanding lawsuits against her. Newsom pleads the foregoing in mitigation of any claims raised in plaintiff's Complaint.

WHEREFORE, having answered the like numbered paragraphs of the plaintiff, the defendant respectfully requests that the Complaint of the plaintiff be dismissed, or if a violation of the Rules of Professional Conduct is found, that the Disciplinary Hearing Commission enter an appropriate level of discipline based upon her unintentional violation of the Rules of Professional Conduct resulting from her lack of training or experience in real property law or real estate closings.

This the 21st day of September, 2010.

CRUMPLER FREEDMAN PARKER & WITT

Attorneys for the Defendant, Jamie
Faye Newson

A handwritten signature in black ink, appearing to read "Dudley A. Witt", is written over a horizontal line.

Dudley A. Witt
301 North Main Street, Suite 700
Winston-Salem, NC 27101
(336) 725-1304

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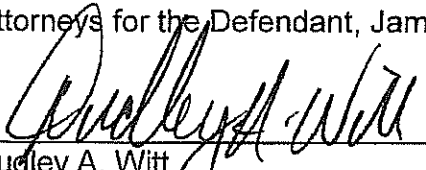
CERTIFICATE OF SERVICE

The undersigned hereby certifies that he is an attorney at law licensed to practice in the State of North Carolina, is attorney for the defendant and is a person of such age and discretion as to be competent to serve process.

That on the 21st day of September, 2010, he served a copy of the attached **ANSWER** by placing said copy in a postpaid envelope addressed to the person hereinafter named, at the place and address stated below, which is the last known address, and by depositing said envelope and its contents in the United States Mail at Winston-Salem, North Carolina.

ADDRESSEE: Ms. Jennifer Porter
North Carolina State Bar
208 Fayetteville Street
Raleigh, NC 27601

CRUMPLER FREEDMAN PARKER & WITT
Attorneys for the Defendant, Jamie Faye Newsom



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